



# Arizona State Retirement System

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## **ASRS News**

### **Arizona Pension Plans on Track to Financial Stability, study concludes**

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Arizona's public pension plans are "on track to financial stability," a new independent study concludes, also noting that "Arizona does not need a radical overhaul of its public sector pension plans."

The study, conducted by the Grand Canyon Institute, a private non-profit corporation that provides non-partisan research, noted dramatic losses in the stock markets in 2008 and 2009, and the heavy losses in the early 2000s, put pension funds in difficult funding positions. But, it concluded, Arizona pension plans responded with a series of reforms "which will help maintain financial sustainability in the future."

Reforms have addressed such issues as dual employment, the ASRS service purchase program, and implementation of an alternate contribution rate for employers who re-hire retired workers.

"Arizona lawmakers showed great foresight in strengthening the financial situation of the state's pensions," the study noted.

The study also concluded that "Arizona's real impending retirement security crisis results from inadequate retirement savings, partly due to the decline in the use of defined benefit pensions in the private sector."

ASRS Director Paul Matson said the study confirms the ASRS is on a positive path and that members and the public can have confidence in the state's largest retirement plan.

"The ASRS and our Board of Trustees have been addressing these issues over the past decade," Mr. Matson noted. "The results of which have been the safeguarding of a sustainable program, while at the same time ensuring a fair and equitable retirement plan for our members."

"With significant internal cost savings initiatives that the ASRS has put in place, which will save billions over time to the trust fund, and with positive legislative changes over the last decade, and a commitment to operating an efficient and fair plan, it is re-assuring to find that the Grand Canyon Institute study confirms we are making solid progress."

The full study is available on the [Grand Canyon Institute](http://www.grandcanyoninstitute.com) website.